Federal Financial Management Business Use Cases for Record-to-Report

Version 2.0

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | Bill-to-Collect | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

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Purpose

The Federal Financial Management (FFM) Business Use Cases reflect the business needs, or requirements that an agency must follow in the financial management community. This document is part of the FFM Business Use Case Library and contains the business use cases associated with the Record-to-Report Business Process. The *Federal Financial Management Business Use Case Library Overview* should be referenced in conjunction with this document for guidance on understanding and applying the FFM Business Use Cases to agency financial operations.

Appendix A provides a list of the documents in the FFM Business Use Case Library.

Business Use Case Structure

The sections of the FFM business use cases are described below.

Business Use Case Identifier: includes information about the key underlying components. The notation for a business use case identifier is as shown.

Figure 1: The notation for a business use case identifier.

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- End-to-End Business Process ID
- Functional Area
- Business Scenario Level
- Business Use Case Number

Business Scenario(s) Covered: identifies differing situations or conditions that occur when executing an end-to-end business process and reflect the scope and complexity of federal government agency missions.

Business Actor(s): identifies the typical offices or roles performing events in the business use case.

Synopsis: provides a summary of the events that take place within the business use case.

Assumptions and Dependencies: includes context information about events that have occurred prior to the first event identified in the business use case or outside of the business use case and dependencies on events accomplished in other business use cases. There are several common assumptions that are established for all business use cases. Additional assumptions or dependencies are included if needed for the specific business use case.

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FFMSR ID Reference(s): includes a list of the Federal Financial Management System Requirements (FFMSR) that apply for the business use case.

Initiating Event: identifies the event that triggers the initiation of the business use case.

Typical Flow of Events: includes the Federal Financial Management (FFM) and non-FFM events that may occur to complete the business scenario(s) included in the business use case. The non-FFM events are provided for business context. Also included are the inputs and outputs or outcomes that one would expect to occur during or as a result of the event.

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Record-to-Report Business Use Cases

060.FFM.L1.01 Period End Adjustments and Reporting
End-to-End Business Process: 060 Record-to-Report
Business Scenario(s) Covered
• Audit Adjustments • Allowance for Uncollectable Amounts • Financial Statements
Business Actor(s)
Finance Office; Program Offices
Synopsis
Overvaluation of an agency's real property assets is revealed by an audit finding and corrections are required in the current fiscal year (FY "n"). In this instance for example, routine maintenance expenses were incorrectly charged to the asset account. Appropriate valuations and associated adjustments are determined by the agency. As the FY "n" nears its end, the allowance for uncollectable amounts is updated. The corrections are made in FY "n". Finally, financial statements for FY "n" are produced by the agency.

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060.FFM.L1.01 Period End Adjustments and Reporting

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

6. All predecessor activities required to trigger the Initiating Event have been completed.

7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

8. The agency processes and calculations are in place for determining the appropriate allowances for uncollectable amounts.

9. The agency's records contain the financial management and supporting information required to produce its financial statements.

FFMSR ID Reference(s): 1.1.2; 1.1.3; 1.1.4; 1.1.5; 1.3.1; 2.3.2

Initiating Event: The agency receives its audit findings for the previous fiscal year.

Use Case 060.FFM.L1.01 Period End Adjustments and Reporting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		Determine the correct value for the assets noted in the audit findings (PRM.010.050 Property Valuation)	• Audit findings	• Corrected asset valuations
2	Receive and process valuations of noted assets (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)		• Corrected asset valuations	• Appropriate asset adjustment entries created with reference to source information • Appropriate expense adjustment entry created with reference to source information
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
4	Determine allowance for uncollectable amounts (FFM.070.010 Delinquent Debt Collection)		• Established receivable and delinquent debt information • Historical receivable collection and delinquent debt collection and write-off information	• Allowance for uncollectable amounts information

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Use Case 060.FFM.L1.01 Period End Adjustments and Reporting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	Receive and process the allowance for uncollectable amounts (FFM.090.030 Accrual and Liability Processing)		• Allowance for uncollectable amounts information	• Appropriate allowance entries created with reference to source information
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
7	Review and confirm adjusting entries posted to the General Ledger (FFM.090.020 General Ledger Posting)		• Adjusting GL entries	• GL account transaction detail information
8	a. Generate the GL trial balance b. Execute GL account relationship tie-point analysis FFM.100.010 Reconciliation of General Ledger and Subledgers		• GL account balances	• GL trial balance information

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Use Case 060.FFM.L1.01 Period End Adjustments and Reporting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	Generate, route for review and approval, and submit required Treasury reporting information, including GTAS, CARS, and USAspending.gov information (FFM.110.010 Treasury Reporting)		• GL account balances • Supporting Treasury reporting information	• Treasury reporting information, including GTAS, CARS, and USAspending.gov information
10	c. Analyze status of funding d. Generate, route for review and approval, and submit required budgetary resource and budget execution information (FFM.010.030 Budgetary Reporting)		• GL account balances • Supporting budgetary resource and budget execution information	• Status of funding information • Schedule X budgetary resource and budget execution information
11	a. Analyze obligation status b. Analyze accounts payable status c. Generate OMB-required Prompt Pay and Electronic Funds Transfer (EFT) reports (FFM.030.130 Payment Reporting)		• GL account balances • Supporting payables and disbursement information	• Obligations status information • Accounts payable (invoice) status information • Prompt Pay and EFT reports

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Use Case 060.FFM.L1.01 Period End Adjustments and Reporting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
12	Generate property, plant, and equipment (PP&E) asset reports (FFM.020.060 Financial Asset Reporting)		• GL account balances • Supporting property management information	• PP&E reports
13	a. Analyze accounts receivable status b. Generate Treasury Report on Receivables (TROR) (FFM.060.050 Public Receivable and Collection Reporting)		• GL account balances • Supporting receivable and collection information	• Receivable and collection information • TROR
14	a. Analyze delinquent debt b. Generate TROR (FFM.070.030 Delinquent Debt Reporting)		• GL account balances • Supporting delinquent debt information	• Delinquent debt information • TROR
15	a. Analyze reimbursable agreement, order, and performance status b. Analyze reimbursable agreement obligations and expenditures FFM.050.060 Reimbursable Reporting		• GL account balances • Supporting reimbursable general terms and conditions, order and performance information	• Reimbursable agreement status information • Reimbursable agreement obligation and expenditure information

Use Case 060.FFM.L1.01 Period End Adjustments and Reporting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
16	Generate revenue reports (FFM.040.020 Revenue Reporting)		• GL account balances • Supporting revenue information	• Revenue reports
17	Generate the financial statements for FY "n" (FFM.110.020 Financial Statement Preparation)		• FY "n" annual financial information	• FY "n" financial statements

060.FFM.L2.01 Consolidated Financial Statements

End-to-End Business Process: 060 Record-to-Report

Business Scenario(s) Covered

- Liabilities Not Covered by Budgetary Resources
- Liabilities Arising from Non-Routine Events
- Actuarial Liabilities
- Eliminations
- Consolidated Financial Statements
- Statement of Net Costs

Business Actor(s)

Finance Office; Program Offices

Synopsis

Consolidated financial statements must be produced for a department with two component agencies. Because the department collects revenues, the Statement of Net Cost must also be produced. Adjusting entries are required for liabilities not covered by budgetary resources. Those liabilities not covered by budgetary resources include liabilities incurred for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity (e.g., Judgement Fund notices, legal settlements). Adjusting entries are also needed for liabilities arising from non- routine events and actuarial liabilities. Before producing the consolidated financial statements, intra-departmental eliminations must be performed.

Lead. Transform. Deliver.

060.FFM.L2.01 Consolidated Financial Statements

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

6. All predecessor activities required to trigger the Initiating Event have been completed.

7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

8. Independent financial records are maintained by the department and each of its component agencies.

9. There exist property transfers and reimbursable agreement transactions in the covered fiscal year between department components and between the department and its components.

FFMSR ID Reference(s): 1.1.2; 1.1.3; 1.1.4; 1.1.5; 1.2.1; 1.3.1; 2.3.2

Initiating Event: The fiscal year closes.

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Use Case 060.FFM.L2.01 Consolidated Financial Statements

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		Determine program total liabilities not covered by budgetary resources and request consolidation at the Department level (Program Mission Activity)	• GL account balances • Program information	• Total liabilities not covered by budgetary resources information • Text for financial statement footnotes
2	Receive and process total liabilities not covered by budgetary resources and provide department-wide information (FFM.090.030 Accrual and Liability Processing)		• Total liabilities not covered by budgetary resources information	• Appropriate liability adjustment entries created with reference to source information
3		Determine program total liabilities arising from non-routine events and request consolidation at the department level (Program Mission Activity)	• GL account balances • Program information	• Total liabilities arising from non-routine events information • Text for financial statement footnotes
4	Receive and process liabilities arising from non-routine events and provide department-wide information (FFM.090.030 Accrual and Liability Processing)		• Total liabilities arising from non-routine events information	• Appropriate liability adjustment entries created with reference to source information

Use Case 060.FFM.L2.01 Consolidated Financial Statements

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5		Determine program total actuarial liabilities and request consolidation at the Department level (Program Mission Activity)	• GL account balances • Program information	• Total actuarial liabilities information • Text for financial statement footnotes
6	Receive and process total actuarial liabilities and provide department-wide information (FFM.090.030 Accrual and Liability Processing)		• Total actuarial liabilities information	• Appropriate liability adjustment entries created with reference to source information
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
8	Generate department component financial statements (FFM.110.020 Financial Statement Preparation)		• GL account balances • Text for financial statement footnotes	• Department component financial statements
9	Determine eliminations required for department consolidated financial statements (FFM.110.020 Financial Statement Preparation)		• Department component financial statements	• Appropriate elimination adjustment entries created with reference to source information

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Use Case 060.FFM.L2.01 Consolidated Financial Statements

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
10	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
11	Generate department consolidated financial statements, including Statement of Net Costs (FFM.110.020 Financial Statement Preparation)		• GL account balances • Text for financial statement	• Department consolidated financial statements, including Statement of Net Costs

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Appendix A: FFM Business Use Case Library Documents

Library Document Content	Business Use Case Document Name
FFM Business Use Case Library	FFM Business Use Case Library Overview
010 Budget Formulation-to-Execution	FFM Use Cases 010 Budget Formulation-to-Execution
020 Acquire-to-Dispose	FFM Use Cases 020 Acquire-to-Dispose
030 Request-to-Procure	FFM Use Cases 030 Request-to-Procure
040 Procure-to-Pay	FFM Use Cases 040 Procure-to-Pay
050 Bill-to-Collect	FFM Use Cases 050 Bill-to-Collect
060 Record-to-Report	FFM Use Cases 060 Record-to-Report
070 Agree-to-Reimburse	FFM Use Cases 070 Agree-to-Reimburse
080 Apply-to-Perform	FFM Use Cases 080 Apply-to-Perform
090 Hire-to-Retire	FFM Use Cases 090 Hire-to-Retire
100 Book-to-Reimburse	FFM Use Cases 100 Book-to-Reimburse
110 Apply-to-Repay	FFM Use Cases 110 Apply-to-Repay